

they can make a profit of \$1.20 and make a profit in Berne, Switzerland, of one-fourth as much.

I just say to you, Doctor, and I do not want to be unfair to you because a number of other witnesses have said the same thing—I just say that in my judgment, your statement is not supported by the facts and what you are repeating is what the pharmaceutical manufacturers have been saying year after year. Most of the medical profession also has been saying this. Most of the medical profession has never heard what the industry charges in New York City or in Switzerland and London and Rome. We have checked all these cities. The physicians do not know what is being done over there. If they did, I think they would say to the companies, how do you explain that you are selling it cheaper, one-fourth as much, in another country and my patient has to pay four times as much?

I have never heard a doctor say that. I know why. He has not heard about it. But he has heard from the company at the rate of \$4,000 or \$5,000 advertising each year to each physician. So the company has convinced the physician.

What you are saying to me—and I am not critical of you for it—is what nine out of 10 doctors say to me when they talk to me across the country. I had a meeting in Wisconsin with four doctors. One of them started to say to me, here's the reason why the firms have to charge more.

I said, you just hold that for a minute, and I called another doctor aside and said, here is what he is going to tell me, and I lined up all the arguments by the pharmaceutical industry. And we went back to the group and the doctor told me every one of these items. Because that is what he has heard from PMA. The evidence supports that every single one of the doctors and the pharmaceutical manufacturers said the same thing.

Dr. ALFANO. I am telling you what I say did not come from the PMA. About 2 years ago, I wrote to the pharmaceutical firms asking for the services provided by these companies. If you wish, I could send a couple of suitcases of material down to you. This is what I got from being in the practice and being exposed to the services provided. I do not believe I have anything in here that comes from the pharmaceutical manufacturers, at least that I received and put into this statement.

Senator NELSON. I believe that a number of my good friends make the same argument. I am not saying there is anything illegal about that. I am just saying that the manufacturers have made what to the doctors have been a compelling, convincing case and the doctors believe it. All I say is I do not think the doctors know the whole story, because when I have asked the doctors about these prices, they have never heard it before. They can't explain it. But the record can't stand without having these examples saying, why can they sell in Berne, Switzerland at \$4.50 and sell here at \$17.90. I call that gouging.

Dr. ALFANO. Have the companies not been in to explain the differences in costs?

Senator NELSON. Yes; when I asked Mr. Conzen—I had the whole list of foreign prices—he said, they charge less in Berne, Switzerland, because the standard of living is lower over there. But they charge more in Mexico City by three times than in Berne, Switzerland. When